

# **REVENUE FORECAST**

**MARCH 1988**



**ALASKA  
DEPARTMENT OF REVENUE**



# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

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May 11, 1988

Gear Reader:

Significant changes have occurred since the last official revenue forecast was published in September 1987. An extensive review of the forecasting methodology was done at the request of the Department. The results of that review were offered in the Report on the Petroleum Revenue Forecasting System of the State of Alaska, by Dr. John Gault, an international oil economist, based in Geneva, Switzerland.

The main conclusions of the report were in two areas. First, Alaska must devote more attention to international oil markets. This is partly to reduce the greatest cause of uncertainty in our forecasts but even more to increase our understanding of the market factors that, currently, most affect the State's income. Second, in presenting the forecasts, the key counsel is to lay out a number of scenarios, plainly describing the assumptions and major events on which they are based. This is so legislative and executive policy makers, and the public, can share in judging the likelihood and risks of the various forecasts.

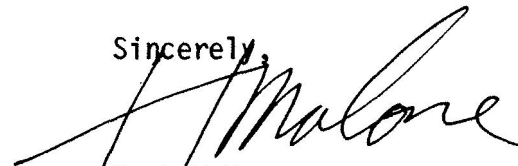
Much of the other advice in the Gault Report will also be implemented during the months ahead.

The difference between forecasting and making policy is vital. Estimates of income, no matter how accurate they may prove to be, do not dictate any one course of action. Debates over forecasts are not a substitute for debates over higher spending, budget cuts, borrowing, holding reserves, or adding to long-term savings in the Permanent Fund.

In recent years, there have been frequent and sometimes dramatic revisions in the forecasts. The revisions stem from the volatility of world crude prices since the formation of OPEC in the 1960s and the State's great dependence on oil (as much as 85% of total revenues).

Stability for Alaska cannot be forged on unstable revenues. Accordingly, the issues for now and the '90s are budget levels, new and more diverse sources of income, and a larger role for the Permanent Fund.

Sincerely,



Hugh Malone  
Commissioner

HM:JBR:smc



## Revenue Summary

(Billions of Dollars)

### LOW CASE

FY 88	2.0851
FY 89	1.3376
FY 90	1.2851

### MID CASE

FY 88	2.1119
FY 89	1.7725
FY 90	1.8259

### HIGH CASE

FY 88	2.1564
FY 89	2.3168
FY 90	2.4249



# REVENUE FORECAST

MARCH 1988

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# MEMORANDUM

# State of Alaska

TO: The Honorable Steve Cowper  
Governor

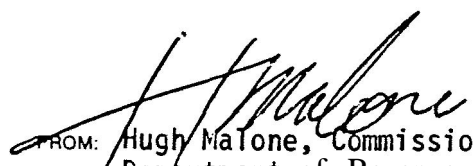
DATE: March 23, 1988

FILE NO: 0074q

TELEPHONE NO: 465-2300

THRU:

SUBJECT: March 1988 Revenue  
Forecast

  
FROM: Hugh Malone, Commissioner  
Department of Revenue

## Commissioner's Preface

This forecast is the first since the release of the Gault Report on Alaska's revenue forecasting system.

It represents a fundamental change. Before, all revenue outcomes were assigned probabilities by the forecasters, but one case was advocated. Usually, that forecast (or some other) was felt to compel one fiscal policy over another. Here, though, policymakers are given a range of scenarios, each with its own assumptions on the economic, political, and other factors that may impact future oil prices and future revenues.

Among the several advantages of this approach, two stand out. First, all policymakers will more directly share in the responsibility for selecting the forecast number on which action is taken. More importantly, a forecast, no matter how accurate it may prove to be, does not dictate actions. Forecasts are not a substitute for debate on the size of budgets, the level and kinds of revenues, the amount of borrowing, or the savings we add to reserves or the Permanent Fund.

### Administrative Notes

No final decision has been made as to how many complete forecasts (as opposed to updates) will be prepared each year, and by what dates. The prime considerations are the needs of the Governor, CMB, and the Legislature in the budget cycle. On the other hand, time must be allowed to judge the effects of actions by OPEC, especially their regular meetings in early June and early December.

### OIL PRICE SCENARIOS

#### Introduction

We have recently completed our March forecast of petroleum production revenues. The oil market over the last month can be characterized as deteriorating. This is due mostly to the reluctance of large oil reserve countries like Saudi Arabia to act as "swing" producers to defend a price in a soft market. As a result, the oil revenue outlook is on balance lower than when we made our last forecast in September. At that time, we felt that prices would fall from the then current level of \$18.00/bbl to the \$15.00/bbl level in the spring. As it turned out, the price has fallen much further as evidenced by the current Standard/BP posted API price of \$13.75/bbl at the U.S. Gulf.

As a result of methodological review, we have implemented a scenario approach to attempt to clarify the specific market events and key player behavior which contributes to the large amount of uncertainty associated with the future of oil prices. Specifically, we have limited our analysis to three alternative scenarios of events leading to much different future oil prices. For the purposes of this memo, only the short run will be addressed.

The scenarios are driven by completely different assumptions about the price of oil. The primary requirements for the scenarios was that they be plausible and that they reflect a low, high, and mid range of the prices felt possible in the future. A brief description of each scenario as developed for the short term forecast follows.

Scenario 1 - Low

	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
	(Millions of Dollars)		
Total Unrestricted Revenues	2,085.1	1,337.6	1,285.1
	(Price in \$ per barrel)		
(1) West Coast	14.38	10.92	10.77
(2) Gulf Coast	15.42	11.93	11.78
(3) Weighted Average	14.80	11.32	11.16

The low scenario is based on the following assumptions:

- 1) Slow world economic growth over the next two years in the range of 1.0 to 1.5% per year.
- 2) Because of the investments made in recent years to develop new fields, non-OPEC production is assumed to average 500,000 barrels per day higher in both 1988 and 1989.
- 3) The Iran/Iraq war continues to rage in starts and fits with no material impact on shipments of oil from the Persian Gulf. Iran output will be constrained to 2.0 million barrels per day while Iraq will produce 3.0 million barrels per day.
- 4) OPEC market share will therefore range between 17.5 and 17.7 million barrels per day.
- 5) OPEC producers will try to sell up to 18.8 million barrels per day.
- 6) OPEC will therefore be unable to move or hold price much above the lower end of the range over which the market has cleared over the past two years.

# Scenario 2 - Mid

	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
	(Millions of Dollars)		
Total Unrestricted Revenues	2,111.9	1,772.5	1,825.9
	(Price in \$ per barrel)		
(1) West Coast	14.82	14.17	14.95
(2) Gulf Coast	15.86	15.15	15.96
(3) Weighted Average	15.24	14.58	15.34

The middle price scenario is based on the following assumptions:

- 1) Modest world economic growth in the range of 2.0 to 2.5%.
- 2) Non-OPEC production will average 500,000 barrels per day higher in both 1988 and 1989 due to investments made in prior years.
- 3) The Iran/Iraq war continues to rage on in fits and starts with no major impact on the flow of oil from the Persian Gulf.
- 4) OPEC market share will range between 17.8 and 18.0 million barrels per day on average for 1988 and 1989.
- 5) OPEC tightens production discipline at the June meeting by allowing Iran to produce outside an official quota with Iraq trimming production to 2.3 million barrels per day. Strengthening prices in the summer result in OPEC production approaching 20.0 million barrels per day. This creates the seasonal inventory accumulation which has historically become a problem in the spring when no single producer or group of producers are willing to curtail production below quota to meet changes in seasonal demand patterns.
- 6) Price will therefore swing within the consensus range according to this OPEC cycle.



### Scenario 3 - High

	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
	(Millions of Dollars)		
Total Unrestricted Revenues	2,156.4	2,316.8	2,424.9
	(Price in \$ per barrel)		
(1) West Coast	15.42	18.13	19.11
(2) Gulf Coast	16.46	19.15	20.14
(3) Weighted Average	15.84	18.54	19.51

The high price scenario assumptions are as follows:

- 1) Strong world economic growth of 4% per year.
- 2) Non-OPEC production increases by 500,000 barrels per day in 1988 but no additional production in 1989.
- 3) The Iran/Iraq war continues, however, the combined production of both countries does not exceed 5.0 million barrels per day.
- 4) This implies an OPEC market share of 18.0 to 18.2 million barrels per day in 1988 and 18.7 million barrels per day in 1989.
- 5) OPEC sticks to a realistic quota of between 17.8 and 18.0 million barrels per day with key discretionary producers observing "seasonal" quotas.
- 6) Oil prices remain relatively stable close to the current official OPEC fixed price.

MARCH 1988 ESTIMATES OF GENERAL FUND  
UNRESTRICTED REVENUES  
COMPARED TO SEPTEMBER 1987 ESTIMATES  
(Millions of Dollars)

TOTAL GENERAL FUND UNRESTRICTED REVENUES

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
SEPTEMBER MEAN ESTIMATE	2065.3	1990.6	2127.7
MARCH LOW SCENARIO	2085.1	1337.6	1285.1
Change from September	19.8	-653.0	-842.6
MARCH MID SCENARIO	2111.9	1772.5	1825.9
Change from September	46.6	-218.1	-301.8
MARCH HIGH SCENARIO	2156.4	2316.8	2424.9
Change from September	91.1	326.2	297.2

Key Assumptions for March 1988  
Petroleum Revenue Projections  
For FY 1988 - FY 1990

ANS West Coast Crude 011 Price (\$/bbl at Los Angeles, Calif.)

	<u>Low</u>	<u>Mid</u>	<u>High</u>
FY 88	14.38	14.82	15.42
FY 89	10.92	14.17	18.13
FY 90	10.77	14.95	19.11

ANS Gulf Coast Crude 011 Price (\$/bbl at Houston, Texas)

	<u>Low</u>	<u>Mid</u>	<u>High</u>
FY 88	15.42	15.86	16.46
FY 89	11.93	15.19	19.15
FY 90	11.78	15.96	20.14

Weighted Average

Crude Oil Price (\$/bbl)

	<u>Low</u>	<u>Mid</u>	<u>High</u>
FY 88	14.80	15.24	15.84
FY 89	11.32	14.58	18.54
FY 90	11.16	15.34	19.51

Percent of ANS to Gulf Coast

	<u>Low</u>	<u>Mid</u>	<u>High</u>
FY 88	40	40	40
FY 89	40	40	40
FY 90	39	39	39

Taps Tariff (\$/bbl)

	<u>Low</u>	<u>Mid</u>	<u>High</u>
FY 88	3.61	3.61	3.61
FY 89	3.04	3.04	3.04
FY 90	2.46	2.46	2.47

Wellhead Value (\$/bbl)

	<u>Low</u>	<u>Mid</u>	<u>High</u>
FY 88	9.47	9.77	9.99
FY 89	6.12	9.05	12.68
FY 90	6.60	10.48	14.34

Production Volume (mmbbs/day)\*

<u>Low</u>	<u>Mid</u>	<u>High</u>
1.995	1.995	1.995
2.032	2.032	2.032
1.979	1.979	1.979

\*Actual volume has averaged 1.976 for first six months of FY 88





Inflation (X)

	<u>Low</u>	<u>Mid</u>	<u>High</u>
FY 88	2.80	3.15	3.41
FY 89	3.04	3.81	4.74
FY 90	3.15	4.05	5.25

(Utilized to generate nominal dollar value of the revenue projections.)

# GENERAL FUND UNRESTRICTED REVENUES

(FORECAST COMPARISON)

-  FY 1987 ACTUAL
-  HIGH OASE SCENARIO
-  MIDDLE CASE SCENARIO
-  LOW CASE SCENARIO



In accordance with Alaska Statute 37.07.060(b)(4) the Revenue Source Book is compiled annually to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature. Since fiscal year (FY) 1975, responsibility for compiling and publishing this summary of State Revenues has come under the Department of Revenue's jurisdiction. Within the publication are shown prior year actuals, revised current year estimates, and upcoming year projections.

The State receives three major classes of income: Unrestricted, Restricted, and Special Fund Revenues

1. Unrestricted Revenues are paid into the General Fund and may be appropriated for any purpose. These receipts are listed in the Source Book by type; i.e., Taxes, License and Permits, etc.
2. Restricted Revenues are those received for specific purposes, primarily from the Federal Government. Only budget category totals are given.
3. Special Fund Revenues are those received into statutorily established funds, such as the International Airports Revenue Fund.

Anticipated State income is projected through the use of a number of data sources: 1) An econometric model developed by the Department of Revenue's Research Section to forecast unrestricted non-petroleum revenues, 2) A petroleum revenue model created by the Department's Oil and Gas Division, and 3) Estimates from individual State agencies.

The Department of Revenue thanks the various State agencies for their cooperation in computing anticipated revenues for publication in this document.

# General Fund Unrestricted Revenues

(Millions of Dollars)

<u>TAXES</u>	FY 1987 <u>Actual</u>	FY 1988 ESTIHATES			FY 1989 ESTIMATES			FY 1990 ESTIHATES		
		<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>
<u>Income</u>										
Corporate General	20.5	11.0	11.0	11.0	14.0	14.0	14.0	14.0	14.0	14.0
Corporate - Petroleum	<u>120.4</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>
Total	140.9	131.0	131.0	131.0	134.0	134.0	134.0	134.0	134.0	134.0
<u>Gross Receipts</u>										
Alaska Business License	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Fish - Canned/Shorebased (1)	17.5	6.0	6.0	6.0	7.0	7.0	7.0	10.0	10.0	10.0
Fish - Floating	9.0	10.0	10.0	10.0	10.3	10.3	10.3	10.3	10.3	10.3
Salmon Enhancement	4.4	5.5	5.5	5.5	5.7	5.7	5.7	5.7	5.7	5.7
Seafood Marketing	1.4	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7
Insurance Companies	23.7	23.6	23.6	23.6 23.7	23.0	23.0	23.0 22	23.0	23.0	23.0 22
Electric & Telephone Coops	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Mining License Tax	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Total	59.8	50.5	50.5	50.5	51.5	51.5	51.5	54.5	54.5	54.5
<u>Severance</u>										
Oil & Gas Production	647.3	729.8	741.7	764.2	446.5	656.2	925.4	436.5	699.0	962.4
Oil & Gas Conservation' (2)	<u>1.2</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Total	648.5	732.3	744.2	766.7	449.0	658.7	927.9	439.0	701.5	964.9
<u>Property</u>										
Oil & Gas	102.5	96.7	96.7	96.7	90.1	90.1	90.1	86.0	86.0	86.0
<u>Sale/Use</u>										
Alcoholic Beverages	12.6	12.0	12.0	12.0	11.8	11.8	11.8	11.7	11.7	11.7
Fuel Taxes - Aviation	8.5	8.8	8.8	8.8	8.7	8.7	8.7	8.7	8.7	8.7
Fuel Taxes - Highway	18.3	19.1	19.1	19.1	18.9	18.9	18.9	18.8	18.8	18.8
Fuel Taxes - Marine	5.4	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Tobacco Products	<u>6.6</u>	<u>6.3</u>	<u>6.3</u>	<u>6.3</u>	<u>6.1</u>	<u>6.1</u>	<u>6.1</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
Total	51.4	51.3	51.3	51.3	50.6	50.6	50.6	50.3	50.3	50.3
<u>Other</u>										
Estate	1.1	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
TOTAL TAXES	1004.2	1062.5	1074.4	1080.9	775.9	985.6	1254.8	764.5	1027.0	1250.4

	FY 1987 <u>Actual</u>	FY 1988 ESTIMATES			FY 1989 ESTIMATES			FY 1990 ESTIMATES		
		<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>
<u>LICENSES &amp; PERMITS</u>										
Business (3)	10.0	8.5	8.5	8.5	7.5	7.5	7.5	7.5	7.5	7.5
Non-Business	<u>19.2</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>
Total	29.2	27.5	27.5	27.5	26.5	26.5	26.5	26.5	26.5	26.5
<u>INTERGOVERNMENTAL RECEIPTS</u>										
Federal Shared Revenues (4)	9.7	9.0	9.0	9.0	8.5	8.5	8.5	8.5	8.5	8.5
<u>STATE RESOURCE REVENUE</u>										
<u>Sale/Use</u>										
Bonus Sales (4) (5) (6)	0.5	5.5	5.5	5.5	0.0	0.0	0.0	0.0	0.0	0.0
Investment Earnings (7)	161.9	125.0	125.0	125.0	44.0	83.0	100.0	0.0	9.0	77.0
Rents (4)	6.0	6.3	6.3	6.3	6.5	6.5	6.5	6.5	6.5	6.5
Royalties (4)	439.3	621.8	636.7	658.7	409.0	595.2	853.3	410.0	679.3	946.9
Sale of State Property (3)	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Gravel, Timber, etc. (8)	<u>7.2</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
Total	621.9	765.1	780.0	802.0	466.0	691.2	966.3	423.0	701.3	1036.9
<u>Facilities Related Charges</u>										
Airports	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.8	1.8	1.8
Ferry System--SE	27.5	29.3	29.3	29.3	30.3	30.3	30.3	31.5	31.5	31.5
Ferry System--SW	3.8	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0
Other (3)	<u>4.1</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>
Total	36.9	36.1	36.1	36.1	37.1	37.1	37.1	38.7	38.7	38.7
<u>Services Related Charges</u>										
Court System	5.3	5.4	5.4	5.4	5.6	5.6	5.6	5.7	5.7	5.7
Other (3)	<u>4.8</u>	<u>2.6</u>	<u>2.6</u>	<u>2.6</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.2</u>	<u>3.2</u>	<u>3.2</u>
Total	10.1	8.0	8.0	8.0	8.6	8.6	8.6	8.9	8.9	8.9
TOTAL RESOURCE REVENUE	668.9	809.2	824.1	846.1	511.7	736.9	1012.0	470.6	748.9	1084.5
<u>MISCELLANEOUS REVENUE</u>	16.9	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
<u>SPECIAL SETTLEMENTS</u> (9) (10)	<u>70.5</u>	<u>161.9</u>	<u>161.9</u>	<u>161.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL UNRESTRICTED REVENUE (11)	1799.4	2085.1	2111.9	2156.4	1337.6	1772.5	2316.8	1285.1	1825.9	2424.9
MENTAL HEALTH TRUST INCOME ACCOUNT (12)	0.0	0.0	0.0	0.0	66.9	88.6	115.8	64.3	91.3	121.2

\* Footnotes on the following page.

- (1) The FY 88, FY 89, and FY 90 figures reflect the recent enactment of a shorebased fisheries business tax credit which is limited to 50 percent of the business' total tax liability with any unused portion of the credit carried forward (Ch. 79, SLA 1986, effective July 1, 1986). For example, the total FY 88 fisheries business tax liability is estimated at \$30.0 million against which \$14.0 million of estimated credits are applied thus yielding a total net fisheries business tax of \$16.0 million. This state share will then be further reduced by municipal revenue sharing. The canned fisheries business tax has been combined into a single category with the shorebased since the tax credits are applied against the aggregate return and cannot be allocated by specific processing type.
- (2) Ch. 56, SLA 1987 increased the levy from 1.25 mills to 4.00 mills per barrel of oil and per 50,000 cubic feet of natural gas, effective June 13, 1987.

(3) Figures reflect the recent shift in fees by various agencies from General Fund Unrestricted Revenues to Restricted Program Receipts.

(4) Net Permanent Fund and Public School Fund contributions.

(5) Reflects state lease sales of \$0.9 million held June 24, 1986 (Sale 49 - Cook Inlet), \$0.3 million held January 27, 1987 (Sale 51 - Prudhoe Bay Uplands), \$6.6 million held June 30, 1987 (Sale 50 - Camden Bay), and \$4.7 million held January 26, 1988 (Sale 54 - Kuparuk Upland). Due to the timing of collections, receipts from the June 1986 lease sale are shown as FY 87 revenue, and receipts from the June 1987 lease sale are shown as FY 88 revenue. The bonus figures represent the General Fund's 49.5 percent share.

(6) The Department of Natural Resources projects the following FY 88, FY 89, and FY 90 state lease sales: FY 88 (Sale 55 - Demarcation Point, Sale 66A - North Slope Exempt); FY 89 (Sale 52 - Beaufort Sea, Sale 56 - Alaska Peninsula, Sale 67A - Cook Inlet Exempt); and FY 90 (Sale 59 - Cook Inlet, Sale 57 - North Slope Foothills). However, bonus bids are impossible to anticipate prior to sales; therefore, no estimates are provided.

(7) The investment earnings projections for all three revenue scenarios assume as a starting point the current asset holdings of the General Fund. Scheduled asset maturities and income are projected on a monthly cashflow basis. Other, non-investment related, General Fund unrestricted revenues, consistent with each scenario, are also projected on a monthly cashflow basis. The same level of General Fund expenditures is assumed in all three scenarios for purposes of consistency and comparability. Monthly cashflow expenditure projections are based on the Governor's proposed FY 1989 budget and are assumed to remain at the same level in FY 1990. Projected General Fund cash inflows, including asset maturities, and cash outflows are combined to project cash available for re-investment on a monthly basis. Available cash is assumed to be invested at current interest rates, in a combination of short and intermediate term securities, depending on the timing of the projected cash needs of the fund. Earnings projected from re-investment of available cash are combined with earnings projected from initial asset holdings to project total General Fund investment earnings on a cash income basis which is shown above. It should be noted that, given the stated expenditure assumptions, all current and projected re-invested General Fund assets must be liquidated to meet projected cashflow needs by the end of FY 1989, given the Low Case revenue scenario. Total liquidation is required by the end of the FY 1990, given the Mid Case revenue scenario.

(8) The FY 87 figure reflects increased construction of roads and drilling pads.

(9) Reflects the OCS "8(g)" revenue sharing settlements of \$4.0 million in FY 87 and \$322.9 million in FY 88. The General Fund share represents 49.5 percent of the aforementioned totals, whereas the Permanent Fund will receive 50.0 percent. The remaining 0.5 percent will be distributed to the Public School Fund.

(10) The FY 87 figure reflects the General Fund portion from refunds and expenses for prior years relative to the TAPS case (\$67.0 million) and court costs relative to the ARCO settlement (\$1.5 million). The FY 88 figures reflect the \$2.1 million misallocation of TAPS receipts due the General Fund.

(11) The State, per AS 38.05.180, will be granting incentive credits against royalties, severance taxes, and rentals to the oil companies for drilling exploratory wells. The deduction is approximately \$2.9 million which has not been subtracted from the aforementioned FY 87 figure of \$1,799.4 million, and approximately \$5.3 million which has not been subtracted from the aforementioned FY 88 figures. Additional credits are anticipated in subsequent years.

(12) Reflects the five percent allocation of General Fund unrestricted revenues to the Mental Health Trust Income Account, per Ch. 4, 1987.



# General Fund Restricted Revenues

(Millions of Dollars)

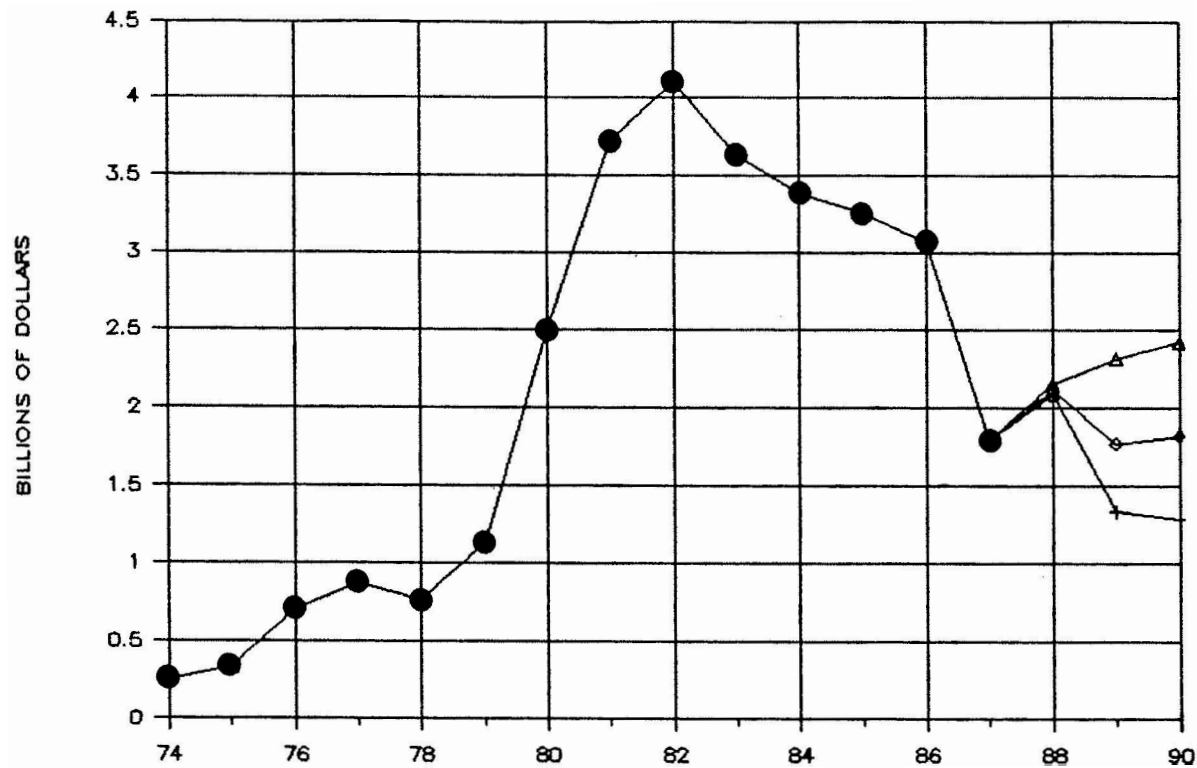
	FY 1987 <u>Actual</u>	FY 1988 ESTIMATES			FY 1989 ESTIMATES			FY 1990 ESTIMATES		
		<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>
<u>Federal Grants-in-Aid</u>										
Education	78.0	74.8	74.8	74.8	79.7	79.7	79.7	79.6	79.6	79.6
Social Services	156.4	150.1	150.1	150.1	169.5	169.5	169.5	173.1	173.1	173.1
Health	3.6	3.7	3.7	3.7	4.3	4.3	4.3	4.2	4.2	4.2
Natural Resources	27.8	29.4	29.4	29.4	32.8	32.8	32.8	32.5	32.5	32.5
Pub. Prot./Admin. of Justice	15.0	8.8	8.8	8.8	10.9	10.9	10.9	10.8	10.8	10.8
Development/General Government	5.0	3.0	3.0	3.0	3.0	3.0	3.0	2.8	2.8	2.8
Transportation	<u>169.8</u>	<u>183.4</u>	<u>183.4</u>	<u>183.4</u>	<u>184.2</u>	<u>184.2</u>	<u>184.2</u>	<u>184.2</u>	<u>184.2</u>	<u>184.2</u>
Total Federal Grants-in-Aid	<u>455.6</u>	<u>453.2</u>	<u>453.2</u>	<u>453.2</u>	<u>484.4</u>	<u>484.4</u>	<u>484.4</u>	<u>487.2</u>	<u>487.2</u>	<u>487.2</u>
<u>Other Grants-in-Aid/Program Receipts</u>										
Education	1.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Health/Social Services	8.5	8.3	8.3	8.3	7.8	7.8	7.8	7.7	7.7	7.7
Natural Resources	2.3	5.5	5.5	5.5	5.8	5.8	5.8	5.9	5.9	5.9
Pub. Prot./Admin. of Justice	5.7	4.5	4.5	4.5	4.9	4.9	4.9	5.2	5.2	5.2
Development/General Government	3.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Transportation	<u>1.1</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>
Total Other Grants-in-Aid	<u>22.7</u>	<u>27.1</u>	<u>27.1</u>	<u>27.1</u>	<u>27.4</u>	<u>27.4</u>	<u>27.4</u>	<u>27.7</u>	<u>27.7</u>	<u>27.7</u>
Miscellaneous Restricted Revenue-All Categories	<u>15.9</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.9</u>	<u>11.9</u>	<u>11.9</u>	<u>12.9</u>	<u>12.9</u>	<u>12.9</u>
Total Restricted Revenue 1/	<u>494.2</u>	<u>491.8</u>	<u>491.8</u>	<u>491.8</u>	<u>523.7</u>	<u>523.7</u>	<u>523.7</u>	<u>527.8</u>	<u>527.8</u>	<u>527.8</u>
Total Unrestricted Revenue	<u>1799.4</u>	<u>2085.1</u>	<u>2111.9</u>	<u>2156.4</u>	<u>1337.6</u>	<u>1772.5</u>	<u>2316.8</u>	<u>1285.1</u>	<u>1825.9</u>	<u>2424.9</u>
Total General Fund Revenue	<u>2293.6</u>	<u>2576.9</u>	<u>2603.7</u>	<u>2648.2</u>	<u>1861.3</u>	<u>2296.2</u>	<u>2840.5</u>	<u>1812.9</u>	<u>2353.7</u>	<u>2952.7</u>

1/ Restricted Revenue figures may not agree with those shown in the Governor's budget due to categorical differences between the budget and accounting system.

# GENERAL FUND UNRESTRICTED REVENUES

(HISTORICAL VS. PROJECTIONS)

- HISTORICAL ACTUALS
- △ HIGH CASE SCENARIO
- ◇ MIDDLE CASE SCENARIO
- + LOW CASE SCENARIO



## High Case

FY 88 2.1564 billion  
 FY 89 2.3168 billion  
 FY 90 2.4249 billion

## Mid Case

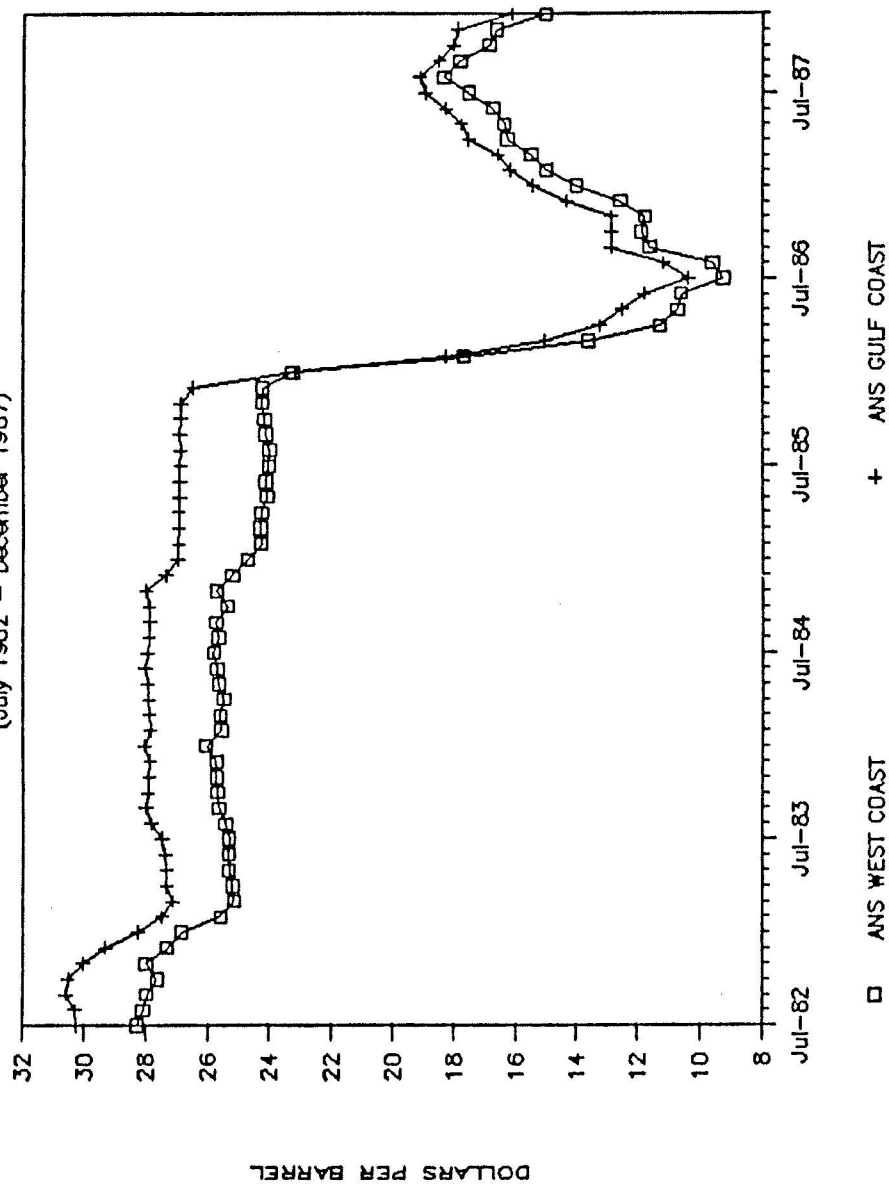
FY 88 2.1119 billion  
 FY 89 1.7725 billion  
 FY 90 1.8259 billion

## Low Case

FY 88 2.0851 billion  
 FY 89 1.3376 billion  
 FY 90 1.2851 billion

# HISTORICAL ANS CRUDE PRICES

(July 1982 - December 1987)



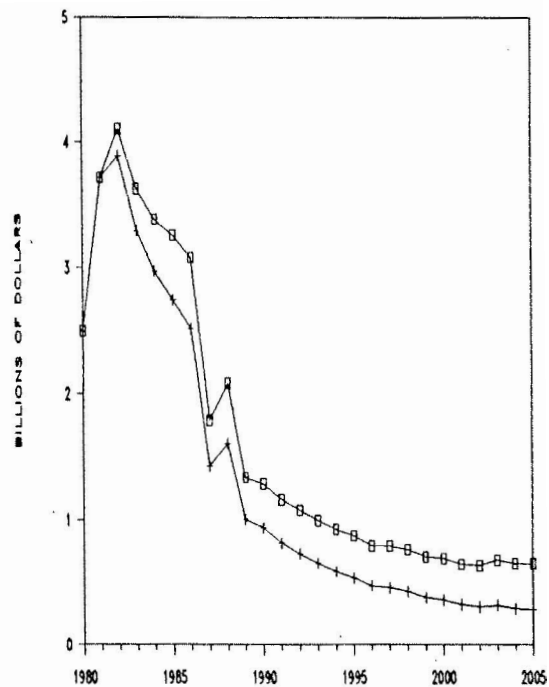
# LONG-RANGE REVENUE PROJECTIONS

(Billions of Dollars)

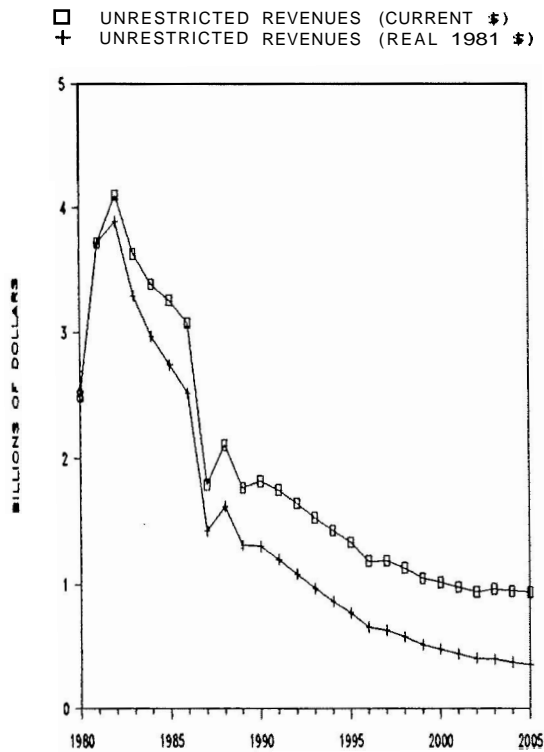
## ASSUMPTIONS

- (1) The real Permanent Fund interest rate is 10.67% for FY 87, 5.00% in FY 88, 4.50% in FY 89, and 4.00% thereafter.
- (2) The inflation rate (based on the U. S. Consumer Price Index for all urban consumers) varies from period to period for each of the low, middle and high case scenarios.

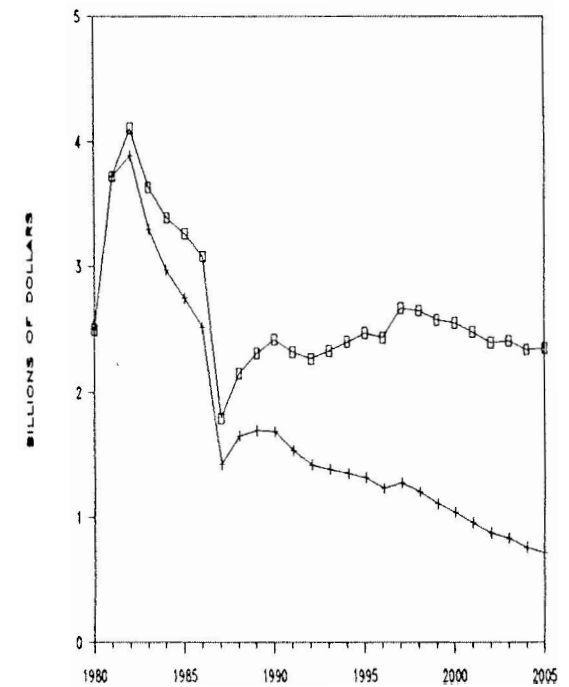
### LOW CASE SCENARIO



### MID CASE SCENARIO



### HIGH CASE SCENARIO



LOW CASEMID CASEHIGH CASE

FY	General Fund		FY	General Fund		FY	General Fund	
	Unrestricted Revenues (Current \$)	(Real 1981 \$)		Unrestricted Revenues (Current \$)	(Real 1981 \$)		Unrestricted Revenues (Current \$)	(Real 1981 \$)
1980	2.501	2.501	1980	2.501	2.501	1980	2.501	2.501
1981	3.718	3.718	1981	3.718	3.718	1981	3.718	3.718
1982	4.108	3.891	1982	4.108	3.890	1982	4.108	3.891
1983	3.631	3.298	1983	3.631	3.297	1983	3.631	3.297
1984	3.390	2.968	1984	3.390	2.968	1984	3.390	2.968
1985	3.260	2.746	1985	3.260	2.746	1985	3.260	2.746
1986	3.076	2.517	1986	3.076	2.517	1986	3.076	2.517
1987	1.799	1.430	1987	1.799	1.429	1987	1.799	1.429
1988	2.085	1.611	1988	2.112	1.627	1988	2.156	1.657
1989	1.338	1.003	1989	1.772	1.315	1989	2.317	1.699
1990	1.285	0.934	1990	1.826	1.302	1990	2.425	1.690
1991	1.161	0.814	1991	1.756	1.200	1991	2.329	1.538
1992	1.075	0.727	1992	1.652	1.082	1992	2.274	1.424
1993	0.995	0.648	1993	1.537	0.965	1993	2.338	1.387
1994	0.924	0.582	1994	1.432	0.862	1994	2.406	1.353
1995	0.874	0.532	1995	1.337	0.771	1995	2.474	1.319
1996	0.791	0.465	1996	1.185	0.655	1996	2.442	1.234
1997	0.792	0.450	1997	1.187	0.629	1997	2.669	1.279
1998	0.763	0.418	1998	1.132	0.575	1998	2.648	1.203
1999	0.702	0.371	1999	1.049	0.510	1999	2.575	1.106
2000	0.687	0.350	2000	1.018	0.474	2000	2.552	1.036
2001	0.642	0.316	2001	0.977	0.436	2001	2.484	0.953
2002	0.628	0.298	2002	0.937	0.400	2002	2.402	0.871
2003	0.673	0.308	2003	0.962	0.393	2003	2.415	0.828
2004	0.647	0.285	2004	0.944	0.368	2004	2.348	0.759
2005	0.645	0.274	2005	0.936	0.348	2005	2.359	0.715

Detailed copies of the entire long range forecast are available by contacting: Department of Revenue, Research Section, P. O. Box 5, Juneau, Alaska 99811. Telephone: (907) 465-2173.

## Petroleum Revenues

(In Millions of Current Dollars)

### PETROLEUM REVENUES

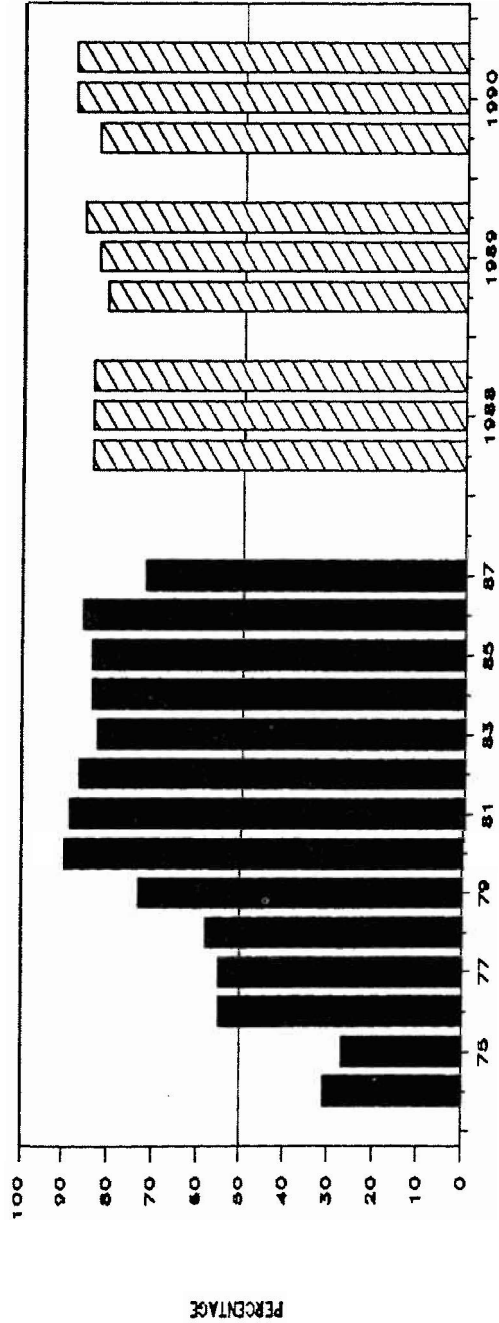
	FY 1987 <u>Actual</u>	FY 1988 ESTIMATES			FY 1989 ESTIMATES			FY 1990 ESTIMATES		
		<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>
Corporate Petroleum	120.4	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Severance Tax	648.5	732.3	744.2	766.7	449.0	658.7	927.9	439.0	701.5	964.9
Royalties	439.3	621.8	636.7	658.7	409.0	595.2	853.3	410.0	679.3	946.9
Property Tax	102.5	96.7	96.7	96.7	90.1	90.1	90.1	86.0	86.0	86.0
Bonus Sale	0.5	5.5	5.5	5.5	0.0	0.0	0.0	0.0	0.0	0.0
Rents	3.8	4.1	4.1	4.1	4.3	4.3	4.3	4.3	4.3	4.3
Intergovernmental	9.0	8.3	8.3	8.3	7.8	7.8	7.8	7.8	7.8	7.8
Special Settlements	<u>70.5</u>	<u>161.9</u>	<u>161.9</u>	<u>161.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Sub-Total	1394.5	1750.6	1777.4	1821.9	1080.2	1476.1	2003.4	1067.1	1598.9	2129.9

### NON-PETROLEUM REVENUES

	FY 1987 <u>Actual</u>	FY 1988 ESTIHATES			FY 1989 ESTIHATES			FY 1990 ESTIHATES		
		<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>
Taxes	132.8	113.5	113.5	113.5	116.8	116.8	116.8	119.5	119.5	119.5
Licenses & Permits	29.2	27.5	27.5	27.5	26.5	26.5	26.5	26.5	26.5	26.5
Intergovernmental	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Investment Earnings	161.9	125.0	125.0	125.0	44.0	83.0	100.0	0.0	9.0	77.0
State Resources	63.4	52.8	52.8	52.8	54.4	54.4	54.4	56.3	56.3	56.3
Miscellaneous	<u>16.9</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
Sub-Total	404.9	334.5	334.5	334.5	257.4	296.4	313.4	218.0	227.0	295.0
TOTAL GENERAL FUND UNRESTRICTED REVENUES	1799.4	2085.1	2111.9	2156.4	1337.6	1772.5	2316.8	1285.1	1825.9	2424.9

# Petroleum Revenues

Historical Comparison of General Fund  
Unrestricted Petroleum Revenues as Percentages  
of General Fund Unrestricted Revenues



	Total General Fund Unrestricted Revenues	Total General Fund Unrestricted Petroleum Revenues	Percent
<u>FY 87 Actual</u>	1799.4	1394.5	77
<u>FY 88 Estimates</u>			
Low Case	2085.1	1750.6	84
Mid Case	2111.9	1777.4	84
High Case	2156.4	1821.9	84
<u>FY 89 Estimates</u>			
Low Case	1337.6	1080.2	81
Mid Case	1772.5	1476.1	83
High Case	2316.8	2003.4	86
<u>FY 90 Estimates</u>			
Low Case	128.1	1067.1	83
Mid Case	182.9	1598.9	88
High Case	242.9	2129.9	88

# Special Funds

(In Millions of Current Dollars)

	FY 1987 <u>Actual</u>	FY 1988 <u>Estimate</u>	FY 1989 <u>Estimate</u>	FY 1990 <u>Estimate</u>
<u>Enterprise Funds</u>				
Agriculture Loan Fund	0.6	1.2	1.5	1.3
Alternative Tech. and Energy Loan Fund	0.6	0.5	0.5	0.4
Bulk Fuel Loan Fund	-0-	-0-	-0-	-0-
Child Care Facility Loan Fund	0.1	0.1	0.1	-0-
Commercial Fish Loan Fund	7.0	6.3	6.0	5.9
Fisheries Enhancement Loan Fund	-0-	0.8	0.7	1.0
Historical District Loan Fund	-0-	-0-	-0-	-0-
Housing Assistance Loan Fund	15.4	14.4	15.0	15.5
International Airport Revenue Fund	65.0	54.1	55.5	57.6
Medical Malpractice Loan Fund	-0-	-0-	-0-	-0-
Mining Loan Fund	0.7	0.4	0.4	0.3
Power Development Loan Fund	2.0	5.9	6.9	7.8
Residential Energy Cons. Loan Fund	0.2	0.2	0.1	0.1
Rural Electrification Loan Fund	0.1	0.1	0.1	0.1
Scholarship Loan Fund	3.7	4.7	4.9	5.0
Small Business Loan Fund	0.2	0.1	0.1	0.1
Tourism Loan Fund	0.1	0.1	0.1	0.1
World War II Veterans Loan Fund	<u>0.7</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Total Enterprise Funds	<u>96.4</u>	<u>89.3</u>	<u>92.3</u>	<u>95.6</u>
<u>Alaska Permanent Fund (1) (2) (3) (4)</u> (Contributed Equity)	<u>1583.1</u>			
Low Case		<u>664.7</u>	<u>406.8</u>	<u>426.3</u>
Mid Case		<u>669.9</u>	<u>518.7</u>	<u>601.2</u>
High Case		<u>677.6</u>	<u>660.8</u>	<u>803.2</u>
<u>Public School Fund (1) (3) (4)</u>	<u>12.2</u>			
Low Case		<u>13.4</u>	<u>11.8</u>	<u>11.8</u>
Mid Case		<u>13.5</u>	<u>13.0</u>	<u>13.6</u>
High Case		<u>13.6</u>	<u>14.7</u>	<u>15.4</u>

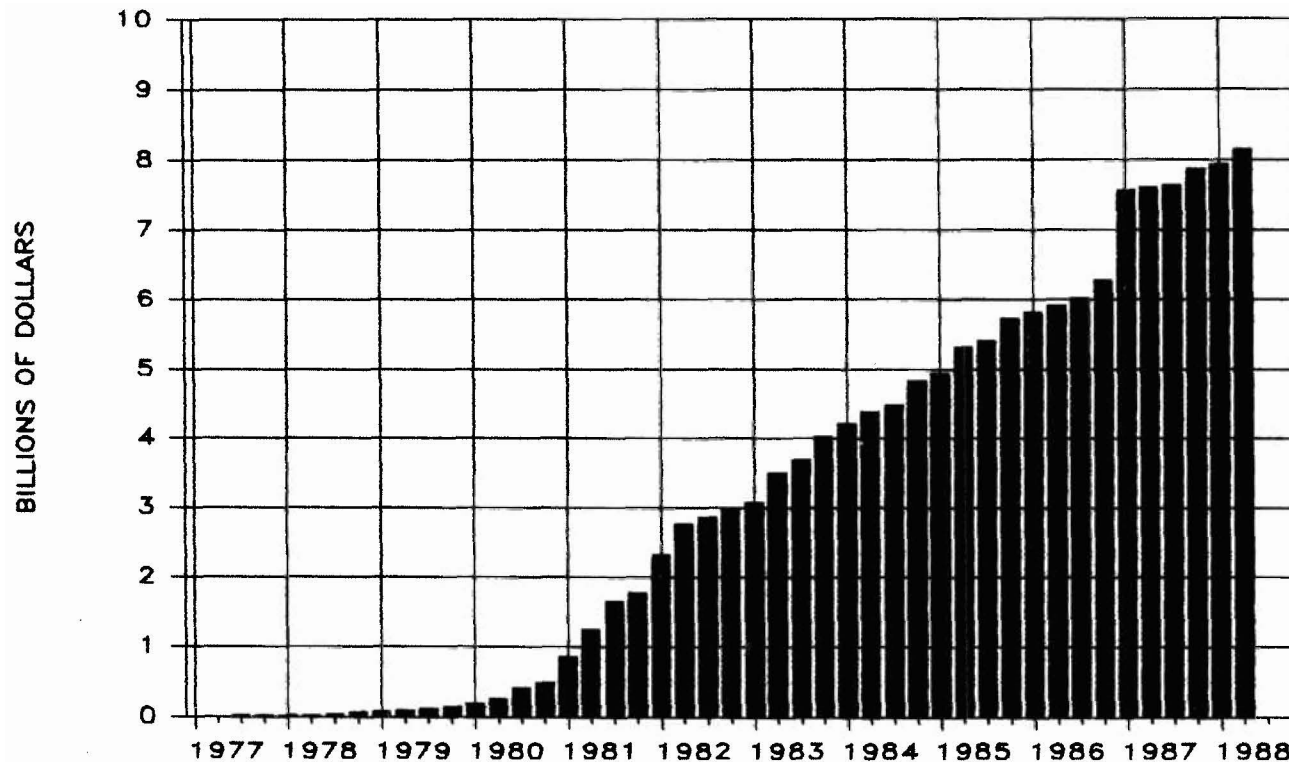


	FY 1987 <u>Actual</u>	FY 1988 <u>Estimate</u>	FY 1989 <u>Estimate</u>	FY 1990 <u>Estimate</u>
<u>Other Funds</u>				
NPRA Special Revenue Fund	9.9	1.0	1.0	1.0
Fish and Game Fund	7.8	8.3	8.6	8.7
Disaster Relief Fund	6.2	-0-	-0-	-0-
Fire Suppression Fund	-0-	-0-	-0-	-0-
School Fund	3.2	2.9	2.8	2.7
Training & Building Fund	<u>0.7</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Other Funds	<u>27.8</u>	<u>12.7</u>	<u>12.9</u>	<u>12.9</u>
 TOTAL SPECIAL FUNDS	 <u>1719.5</u>			
Low Case		<u>780.1</u>	<u>523.8</u>	<u>546.6</u>
Mid Case		<u>785.4</u>	<u>636.9</u>	<u>723.3</u>
High Case		<u>793.2</u>	<u>780.7</u>	<u>927.1</u>

- (1) The scenario approach is shown for both the Permanent Fund and the Public School Fund since both receive a significant portion of revenues from petroleum-based sources.
- (2) The FY 87 figure reflects Ch. 25, SLA 1986 which appropriated approximately \$1264.4 million from the Undistributed Income Account to the Permanent Fund principal, effective July 1, 1986.
- (3) The FY 87 figure reflects the additional amounts from refunds and expenses for prior years, relative to the TAPS case, due the Alaska Permanent Fund (\$12.5 million) and the Public School Fund (\$0.2 million). The FY 88 figures reflect the \$2.1 million misallocation of TAPS receipts due the General Fund.
- (4) Reflects the OCS "8(g)" revenue sharing settlement payments in FY 87 to the Permanent Fund (\$2.0 million) and the Public School Fund (\$0.02 million), and in FY 88 to the Permanent Fund (\$145.7 million) and the Public School Fund (\$1.6 million).

# Alaska Permanent Fund

Historical Comparison of  
Cumulative Balance



## Alaska Permanent Fund

The Alaska Permanent Fund was established by a constitutional amendment effective February 21, 1977. The amendment stated that contributions to the Fund must consist of at least 25 percent of mineral lease rentals, royalties, royalty sale proceeds, Federal mineral revenue sharing payments and bonuses received by the State. Enacted legislation (Ch. 18 SLA 1980) has modified this contribution rate so that State revenues derived from future mineral leases issued after a specific date will be subject to a 50% contribution rate to the Permanent Fund. During FY 1981, a special appropriation (Ch. 35 SLA 1980) appropriated \$900 million from the General Fund to the Permanent Fund. Similarly, an additional \$1.8 billion was appropriated (Ch. 61 SLA 1981) for FY 1982 with payments beginning July 1, 1981; however, this appropriation was legislatively amended (Ch. 101 SLA 1982) thus permitting deposit of only \$800 million in FY 82 and an additional deposit of \$400 million in FY 83. An additional \$100 million of this appropriation was deposited in the Permanent Fund during August, 1983, as well as, another \$100 million each during December, 1983, April, 1984, October, 1984 and a final \$200 million in December, 1984 thus fully satisfying the \$1.8 billion appropriation in 1981. Recently Ch. 25, SLA 1986 appropriated \$1,264.4 million from the undistributed income account to the principal of the Permanent Fund, effective July 1, 1986.

## (Millions of Dollars)

Source: Permanent Fund Corporation

Table 1  
STATE OF ALASKA - GENERAL FUND UNRESTRICTED REVENUES  
TAX PORTION

(\$ millions)	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
Corporate General	17.3	31.1	35.8	33.5	24.8	17.9	34.8	34.8	30.3	39.5	36.0	11.2	20.5
Corporate - Petroleum	--	--	--	--	232.6	547.5	860.1	668.9	236.0	265.1	168.6	133.9	120.4
Fiduciary	.1	.1	.1	.1	.1	.1	--	--	--	--	--	--	--
Individual	<u>86.9</u>	<u>146.2</u>	<u>210.4</u>	<u>145.7</u>	<u>117.2</u>	<u>100.5</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL INCOME	104.3	177.4	246.3	179.3	374.7	666.0	894.9	703.7	266.3	304.6	204.6	145.1	140.9
Alaska Business License	11.2	19.1	23.2	21.7	28.2	4.2	5.4	5.5	6.9	19.9	38.8	2.1	1.5
Fish - Canned Salmon	1.6	1.8	3.8	5.5	6.7	4.3	5.9	8.6	4.3	5.5	5.6	3.5	--
Fish - Shore Based	.8	.8	1.9	2.3	3.3	7.6	11.0	8.7	11.5	7.1	8.3	10.1	17.5
Fish - Floating	.3	.5	.5	.5	1.9	2.7	3.8	5.5	4.7	6.4	4.8	7.5	9.0
Salmon Enhancement	--	--	--	--	--	--	--	2.4	2.6	2.2	2.6	4.3	4.4
Seafood Marketing	--	--	--	--	--	--	--	--	.9	1.1	1.0	1.1	1.5
Insurance Companies	4.4	6.1	8.1	10.0	10.8	10.4	10.6	12.5	13.8	16.2	17.5	21.1	23.7
Other	<u>.7</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>2.0</u>	<u>2.1</u>	<u>2.2</u>	<u>2.2</u>
TOTAL GROSS RECEIPTS	19.0	29.3	38.8	41.6	52.8	31.3	37.9	44.6	46.3	60.4	80.7	51.9	59.8
Gravel, Timber, Etc.	.8	1.8	1.0	.8	1.7	1.6	2.7	--	--	--	--	--	--
Oil & Gas Production	26.6	27.9	23.7	107.6	173.6	506.2	1169.9	1581.1	1493.0	1392.4	1388.7	1107.9	647.3
Oil & Gas Conservation	<u>--</u>	<u>.1</u>	<u>.1</u>	<u>.1</u>	<u>.2</u>	<u>.3</u>	<u>.3</u>	<u>.6</u>	<u>.7</u>	<u>.7</u>	<u>.7</u>	<u>.5</u>	<u>1.2</u>
TOTAL SEVERANCE	27.4	29.8	24.8	108.5	175.5	508.1	1172.9	1581.7	1493.7	1393.1	1389.4	1108.4	648.5
Oil & Gas	6.6	83.4	139.1	173.0	163.4	168.9	143.0	142.7	152.6	131.0	128.4	113.5	102.5
Oil & Gas Reserves	--	223.1	270.6	--	--	--	--	--	--	--	--	--	--
Vehicle Registration	<u>--</u>	<u>--</u>	<u>--</u>	<u>.2</u>	<u>.2</u>	<u>.1</u>	<u>.2</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL PROPERTY	6.6	306.5	409.7	173.2	163.6	169.0	143.2	142.7	152.6	131.0	128.4	113.5	102.5
Alcoholic Beverages	6.6	7.8	8.0	7.6	7.4	7.4	8.3	9.0	10.4	13.0	13.9	13.3	12.6
Fuel Taxes - Aviation	2.8	3.0	2.5	3.3	3.4	4.0	4.1	6.3	8.7	8.1	8.0	8.1	8.5
Fuel Taxes - Highway	14.0	20.2	16.7	17.9	16.3	18.9	15.6	20.3	23.7	20.2	23.7	22.7	18.3
Fuel Taxes - Marine	1.1	1.2	1.3	2.1	2.6	3.2	3.5	3.7	4.3	3.9	4.3	5.3	5.4
Tobacco Products	<u>1.5</u>	<u>1.7</u>	<u>1.8</u>	<u>1.7</u>	<u>1.7</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>4.9</u>	<u>6.6</u>
TOTAL SALE/USE	26.0	33.9	30.3	32.6	31.4	35.1	33.2	41.2	49.1	47.2	51.9	54.3	51.4
Estate	.1	.2	.2	.2	.1	.2	.5	.3	.7	.7	.5	.7	1.1
School	<u>2.2</u>	<u>2.6</u>	<u>2.6</u>	<u>2.4</u>	<u>2.5</u>	<u>2.6</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL OTHER	2.3	2.8	2.8	2.6	2.6	2.8	.5	.3	.7	.7	.5	.7	1.1
TOTAL TAXES	185.6	579.7	752.7	537.8	800.6	.3	2282.6	2514.2	2008.7	1937.0	1855.5	1473.9	2

	STATE OF ALASKA										RESTRICTED REVENUES		
	NO.										PORTION		
(\$ millions)	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
<u>LICENSES &amp; PERMITS</u>													
Business	4.2	5.1	5.5	6.8	7.5	8.1	9.1	10.8	10.8	10.8	11.9	11.3	10.0
Non-Business	9.4	11.3	10.6	12.3	12.3	10.7	12.2	13.0	14.9	15.9	17.0	18.0	19.2
TOTAL	13.6	16.4	16.1	19.1	19.8	18.8	21.3	23.8	25.7	26.7	28.9	29.3	29.2
<u>INTERGOVERNMENTAL RECEIPTS</u>													
Federal Shared Revenues	10.6	6.4	2.5	3.6	4.1	4.8	8.5	21.7	33.3	14.0	10.5	14.5	11.7
<u>STATE RESOURCE REVENUE</u>													
<u>SALE/USE</u>													
Bonus Sales	1.0	--	--	--	--	342.4	7.6	5.0	36.2	10.1	11.5	34.7	.5
Investment Earnings	38.5	31.7	34.8	44.2	59.2	119.9	227.8	324.7	375.8	282.7	233.5	195.2	161.9
Rents	4.3	4.1	3.4	2.3	2.1	3.0	5.4	3.5	4.3	6.0	5.1	6.2	6.0
Royalties	40.0	43.3	34.3	149.6	249.2	688.2	1118.5	1157.3	1078.4	1047.5	1034.0	856.1	439.3
Sale of State Property	12.2	1.9	1.8	1.9	8.4	5.7	4.8	5.2	6.3	7.0	8.5	8.7	6.9
Gravel, Timber, etc.	--	--	--	--	--	--	--	1.2	4.0	2.9	3.1	2.9	7.2
TOTAL	96.0	81.0	74.3	198.0	318.9	1159.2	1364.1	1496.9	1505.0	1356.2	1295.7	1103.8	621.8
<u>FACILITIES RELATED CHARGES</u>													
Airports	.5	.6	.7	.8	.9	.8	1.1	1.6	1.4	1.5	1.6	1.5	1.5
Ferry System--SE	12.0	13.9	15.4	14.0	17.1	18.7	21.0	25.2	26.4	28.5	29.6	28.5	27.5
Ferry System--SW	1.2	1.3	1.5	1.6	1.8	2.4	3.4	4.0	4.0	3.5	3.8	3.8	3.8
Other	2.1	2.2	2.7	4.0	3.1	4.1	3.7	3.6	5.5	4.3	7.9	5.2	4.1
TOTAL	15.8	18.0	20.3	20.4	22.9	26.0	29.2	34.4	37.3	37.8	42.9	39.0	36.9
<u>SERVICES RELATED CHARGES</u>													
Court System	3.0	3.7	3.6	2.8	2.8	2.8	2.9	3.5	4.2	4.1	4.5	5.1	5.4
Other	1.4	.7	.9	1.7	2.3	2.0	4.1	6.1	5.9	4.8	5.2	4.1	4.8
TOTAL	4.4	4.4	4.5	4.5	5.1	4.8	7.0	9.6	10.1	8.9	9.7	9.2	10.2
<u>TOTAL RESOURCE</u>													
Miscellaneous Revenue	116.2	103.4	99.1	222.9	346.9	1190.0	1400.3	1540.9	1552.4	1402.9	1348.3	1152.0	668.9
Unrestricted	7.4	3.9	3.9	3.9	7.2	6.7	5.5	7.8	10.9	9.5	16.8	13.0	16.8
Non-Tax Revenue	147.8	130.1	121.6	249.5	378.0	1220.3	1435.6	1594.2	1622.3	1453.1	1404.5	1208.8	726.6
Less: Native Claims	--	--	--	22.4	45.6	131.4	--	--	--	--	--	--	--
Plus: Settlements	--	--	--	--	--	--	--	--	--	--	--	392.8	68.5
TOTAL NET UNRESTRICTED	147.8	130.1	121.6	227.1	332.4	1088.9	1435.6	1594.2	1622.3	1453.1	1404.5	1601.6	795.1
NON-TAX REVENUE	147.8	130.1	121.6	227.1	332.4	1088.9	1435.6	1594.2	1622.3	1453.1	1404.5	1601.6	795.1
TOTAL UNRESTRICTED	185.6	579.7	752.7	537.8	800.6	1412.3	2282.6	2514.2	2008.7	1937.0	1855.5	1473.9	1004.2
TAX REVENUE	333.4	709.8	874.3	764.9	1133.0	2501.2	3718.2	4108.4	3631.0	3390.1	3260.0	3075.5	1799.4
TOTAL UNRESTRICTED REVENUE													

Table 2  
STATE OF ALASKA - RESTRICTED REVENUES  
AND TOTAL GENERAL FUND REVENUES

(\$ millions)	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
<u>Federal Grants-In-Aid</u>													
Education	39.4	35.6	26.7	27.3	27.8	30.7	33.0	25.7	33.8	44.8	76.2	42.0	78.0
Social Services	36.0	45.4	48.9	37.7	57.8	60.0	68.7	60.4	80.7	91.2	100.7	125.2	156.4
Health	8.3	5.0	3.0	15.6	15.4	21.4	26.5	27.1	11.9	10.0	12.5	3.2	3.6
Natural Resources	2.9	3.7	5.4	7.9	10.1	6.5	8.3	12.4	15.0	14.2	18.1	17.9	27.8
Pub. Prot./Admin.													
of Justice	5.1	7.0	5.7	11	8.4	7.4	7.1	5.5	5.7	6.6	7.5	7.7	15.0
Develop./Gen. Govern.	1.2	.7	2.7	14	2.3	2.8	7.9	4.9	8.6	8.1	6.6	9.3	5.0
Transportation	79.5	123.3	119.1	84.6	84.6	69.5	39.9	22.5	11.0	67.7	110.9	88.5	169.8
Total	172.4	220.7	211.5	206.4	206.4	198.3	191.4	158.5	166.7	242.6	332.5	293.8	455.6
<u>Other Grants-In-Aid</u>													
Education	.3	.4	.8	.3	.5	1.6	.8	.9	1.0	1.1	1.3	1.4	1.3
Health/Social Services	1.4	1.9	1.5	2.6	1.2	.5	.2	.3	.4	.4	3.8	4.3	8.5
Natural Resources	1.5	1.9	2.1	1.4	1.2	.6	2.4	1.4	1.0	.9	.9	1.4	2.3
Pub. Prot./Admin.													
of Justice	.3	.4	.4	1.7	1.9	1.8	1.9	1.9	2.4	3.1	.9	2.0	5.7
Develop./Gen. Govern.	.3	3.0	.9	1.3	1.6	4.1	2.6	3.3	5.3	15.6	6.5	3.6	3.8
Transportation	11.5	2.5	1.8	1.0	1.1	1.0	1.6	2.5	.9	1.2	3.5	.8	1.1
Total	15.3	10.1	7.5	8.3	7.5	9.6	9.5	10.3	11.0	22.3	16.9	13.5	22.7
Misc. Restricted Revenue	-0-	4.5	3.1	.9	3.2	5.7	8.1	7.0	15.7	9.8	16.9	16.4	15.8
Total Restricted Revenue	187.7	235.3	222.1	247.8	217.1	213.6	209.0	175.8	193.4	274.7	366.3	323.7	494.1
Total Unrest. Revenue	333.4	709.8	874.3	764.9	1133.0	2501.2	3718.2	4108.4	3631.0	3390.1	3260.0	3075.5	1799.4
Total Gen. Fund Revenue	521.1	945.1	1096.4	1012.7	1350.1	2714.8	3927.2	4284.2	3824.4	3664.8	3626.3	3399.2	2293.5

Source: Department of Revenue, Revenue Sources FY 1973 - FY 1987. Updated January 1988

Table 3  
Historical Petroleum Revenues  
(Millions of Dollars)

FY	Corporate Non-Petroleum	Oil/Gas Severance Petroleum	Property Tax	Reserve Tax	Fed. Min. Rents 8 Royalties (1)	Bonus Rents (1)	Royalties (1)	Oil/Gas Special Settlements	Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total G.F. Unrestricted Revenues
59	1.4				3.1				3.1	25.4	12
60	1.7				5.8	4.0	.1		9.9	48.0	21
61	1.4				2.4	1.6	.2		4.2	40.5	10
62	1.8		.2		4.5	20.3	1.0		26.0	68.9	38
63	2.2		.3		8.6	17.9	1.0		27.8	71.6	39
64	1.8		.3		8.7	4.7	1.2		14.9	67.0	22
65	1.9		.3		8.3	5.9	1.9	.1	16.5	83.0	20
66	4.1		.3		7.7	10.8	2.5	.3	21.6	86.5	25
67	3.5		.5		7.7	8.6	2.8	1.9	21.5	86.6	25
68	3.8	.1	1.2		7.5	21.8	2.9	9.5	43.0	112.7	38
69	4.2	.1	5.6		7.8	.8	3.3	16.9	34.5	112.4	31
70	4.9	.4	7.9		8.2	900.0	3.1	19.3	938.9	1067.3	88
71	5.2	.9	10.5		8.6	.2	2.9	23.9	47.0	220.4	21
72	5.3	1.2	11.4		7.9	.3	3.0	24.6	48.4	219.2	22
73	5.9	.9	12.0		6.7	3.8	3.4	23.5	50.3	208.2	24
74	7.0	1.2	14.8		7.1	24.8	3.6	28.7	80.2	254.9	31
75	14.8	2.5	26.6	6.6	9.8	1.0	3.9	40.0	90.4	333.4	27
76	26.2	4.9	28.0	83.4	5.1		3.7	43.3	391.5	709.8	55
77	30.8	5.0	23.8	139.1	2.0*		2.8*	34.3*	477.6*	874.3	55
78	25.1	8.4	107.7	173.0	1.0*		1.8*	149.6*	441.5*	764.9	58
79	24.8	232.6	173.8	163.4	1.0*		1.6*	249.2*	821.6*	1133.0	73
80	17.9	547.5	506.5	168.9	1.2*	342.4*	1.8*	688.2*	2256.5*	2501.2	90
81	34.8	860.1	1170.2	143.0	1.2*	7.6*	3.7*	1118.5*	3304.3*	3718.2	89
82	34.8	668.9	1581.7	142.7	17.1*	5.0*	2.1*	1157.3*	3574.8*	4108.4	87
83	30.1	236.0	1493.7	152.6	27.2*	36.2*	2.5*	1078.4*	3026.6*	3631.0	83
84	39.5	265.1	1393.1	131.0	11.0*	10.1*	3.8*	1047.5*	2861.6*	3390.1	84
85	36.0	168.6	1389.4	128.4	8.2*	11.5*	3.4*	1034.0*	2743.5*	3260.0	84
86	11.2	133.9	1108.4	113.5	14.3*	34.7*	4.2*	856.1*	392.8*	2657.9*	86
87	20.5	120.4	648.5	102.5	11.0*	.5*	3.8*	439.3*	68.5*	1394.5*	77

\* Net of Permanent Fund contribution.

(1) These categories are primarily composed of oil/gas revenues; however, includes some additional revenues from other minerals (mostly coal).

